



OFFICE OF PUBLIC INSTRUCTION

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Linda McCulloch
Superintendent

October 5, 2006

TO: School Food Authority Administrators/Food Service Managers

FROM: Christine Emerson, Director
School Nutrition Programs

RE: Commodity Reimbursement

As a result of an ammonia refrigerant leak in the DPHHS-contracted warehouse freezer on January 25, 2006, approximately 2,712 cases of commodity foods were retrieved. The foods were shipped to approximately 156 schools before the damage became apparent and the shipments were stopped. In the ensuing weeks, commodities involved in the incident were sent to the Food and Drug Administration and U.S. Department of Agriculture laboratory for contamination testing. In early March, it was determined that the commodity foods being held by the schools should be picked up and returned to the storage facility in Helena.

All commodity foods involved in the warehouse leak incident have been accounted for. Approximately 19 percent were consumed and 2 percent were destroyed on site. The other 79 percent were returned to Helena where they were disposed of. An insurance claim for all resulting expenses and losses was filed.

A reimbursement draft 1410917 in the amount of \$332,145 for the value of the commodities that were lost in the incident was received by the Office of Public Instruction on September 28, 2006. It will be fair shared to all schools participating in the National School Lunch Program to replace the cost of the food that was delivered/retrieved or ordered and not delivered to use as reimbursement for the replacement cost of the food. Each school's fair share was determined by using the same formula used to determine the commodity entitlement.

Your reimbursement will be deposited into your Fund 12 revenue account, code 3092. Reimbursement will be made early October 2006. Enclosed with this letter is a list of each school's fair share of the insurance reimbursement.

Thank you for your patience as we worked to resolve this matter.

Attachment

"It is the mission of the Office of Public Instruction to improve teaching and learning through communication, collaboration, advocacy, and accountability to those we serve."